



**Climate Control**

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E 6  
10/5/05

October 5, 2005

EPA Region 5 Records Ctr.



285051

Tom Turner  
Associate Regional Counsel  
U.S. EPA – Region V  
Office of Regional Counsel (C-14J)  
77 W. Jackson Boulevard  
Chicago, IL 60604

Re: Clayton Chemical Site General Notice of Potential Liability Letter

Mr. Turner,

T/CCI Manufacturing LLC received your letter to me dated September 27, 2005. That company has kindly forwarded your letter to me. In your letter you requested the listed potentially responsible parties (PRP's) should notify you "in writing within ten (10) days after receipt of this letter, regarding your [the PRP's] willingness to perform or finance the activities..."

Please be aware that Climate Control is no longer in operation. As recently as August 10, 2005, Climate Control was operated as a division of DemirCo Industries, LLC. On August 11, 2005, Charter One Bank foreclosed on all of the assets to DemirCo Industries, LLC (including those associated with the Climate Control division) and sold them at a public auction in accordance with the provisions of Article 9 of the Uniform Commercial Code. The auction did not yield sufficient proceeds to satisfy the secured debt held by Charter One Bank. Accordingly, DemirCo Industries, LLC (and the Climate Control Division) has no assets and no funds to make payments on any of its obligations. This includes any obligation related to reimburse the U.S. EPA for the costs associated with the response activities at the Clayton Chemical Site.

Because of the situation described above, I am requesting that Climate Control be removed from the list of potentially responsible parties and declared free of all obligation to help pay for the site cleanup. Referring to Susan E. Bromm's (Director of Site Remediation Enforcement) memo on "Interim Guidance on the Ability to Pay..." dated May 17, 2004, it is clear that section 122(g) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C § 9622(g) allows the "EPA to negotiate settlements based on a PRP establishing an inability... to pay."

Based on these facts listed above, Climate Control should be considered for an inability or limited ability to pay (ATP) claim. I have attached a copy of the official sale paperwork. If you have any questions or need further information relative to the ATP claim of Climate Control please contact Charles Demirjian, The DemirCo Group North America, L.L.C., 77 West Wacker Drive, Suite 4800, Chicago, IL 60601. His office phone number is 312-606-8705.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Demirjian".

Richard Demirjian  
For the former Climate Control

Enclosure: UCC Sale Statement

## SECURED PARTY BILL OF TRANSFER

This Secured Party Bill of Transfer ("Bill of Transfer"), dated as of August 11, 2005, is delivered in connection with the disposition, pursuant to the Uniform Commercial Code as enacted in Illinois and any other applicable jurisdiction, to TrCCI Manufacturing, L.L.C., formerly known as CCI Acquisition Company, L.L.C. ("Purchaser") of the property set forth on Exhibit 1 attached hereto (the "Personal Property"). Such Personal Property includes substantially all of the assets of The DemirCo Group (North America), LLC, DemirCo Industries, L.L.C. and DemirCo Holdings, Inc. ("Borrowers") constituting "Collateral" as defined in and pursuant to that certain Credit Facility and Security Agreement, dated as of November 25, 2003, to which Borrowers, Western Precision Inc. and Charter One Bank, N.A., as secured creditor ("Seller"), are parties, but specifically does not include the assets listed on Exhibit 2 hereto.

In consideration of Purchaser's payment to Seller in the amount of \$3,550,000.00 in immediately available funds by wire transfer and other valuable consideration the receipt and legal sufficiency of which are hereby acknowledged, Seller does hereby irrevocably sell, assign, grant, convey, and transfer to Purchaser, free and clear of all liens and security interests of Seller, as a discharge of Seller's security interest and any other subordinate security interest or other subordinate liens, all right, title, and interest of Borrower and Seller in, under and to the Collateral.

**EXCEPT AS EXPRESSLY SET FORTH ABOVE OR IN THE PERSONAL PROPERTY PURCHASE AGREEMENT, ALL PERSONAL PROPERTY IS BEING TRANSFERRED TO PURCHASER IN "AS IS, WHERE IS" CONDITION, WITH ALL FAULTS. SELLER MAKES NO WARRANTIES WITH RESPECT TO THE PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY TO TITLE, POSSESSION, QUIET ENJOYMENT, MERCHANTABILITY OR THE LIKE. BY ACCEPTANCE OF THIS BILL OF TRANSFER, PURCHASER REPRESENTS AND WARRANTS THAT IT HAS NOT RELIED ON SELLER'S SKILL OR JUDGMENT TO SELECT OR FURNISH ALL OR ANY PORTION OF THE PERSONAL PROPERTY FOR ANY PARTICULAR PURPOSE, THAT SELLER IS NOT A MANUFACTURER, DEALER OR MERCHANT IN THE PERSONAL PROPERTY, THAT SELLER MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE PERSONAL PROPERTY, EXPRESSED IMPLIED OR STATUTORY, AND THAT THIS BILL OF TRANSFER AND THE TRANSACTIONS CONTEMPLATED HEREBY ARE WITHOUT RECOURSE TO SELLER, EXCEPT AS EXPRESSLY SET FORTH ABOVE OR IN THE PERSONAL PROPERTY PURCHASE AGREEMENT.**

If this Bill of Transfer is, for any reason, not sufficient to effect a transfer of all of that property defined as "Personal Property" in that certain Personal Property Purchase Agreement, dated as of August 10, 2005, between Purchaser and Seller (collectively, "Purchased Property"), Seller agrees, without cost to or additional consideration from Purchaser, to execute and deliver any and all reasonably requested documentation to effect such transfer of the Purchased Property when and as permitted by law; it being the intention of the parties for Seller to have transferred and for Purchaser to have purchased any and all of the Purchased Property as of the date hereof without additional consideration therefor.

This Bill of Transfer shall be governed by the laws of the State of Illinois (without giving effect to the principles of conflicts of law thereof).

CHARTER ONE BANK, N.A.

By

Its

BRAD J. [Signature]  
VICE PRESIDENT

ACKNOWLEDGED

T/CCI MANUFACTURING, L.L.C. f/k/a  
CCI ACQUISITION COMPANY, L.L.C.

By

Its

[Signature]  
CEO - GENERAL MANAGER

### Exhibit 1

Except as set forth on Exhibit 2 attached hereto, the following property of the Borrowers which can be conveyed pursuant to Article 9-610:

(i) All Accounts and all Goods whose sale, lease or other disposition by the Borrowers has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, the Borrowers, or rejected or refused by an Account Debtor;

(ii) All Inventory, including, without limitation, raw materials, work-in-process and finished goods;

(iii) All Goods (other than Inventory or vehicles), including, without limitation, Equipment, and furniture;

(iv) All software and computer programs;

(v) All Securities, Investment Property, Financial Assets and Deposit Accounts; and

(vi) All Chattel Paper, Electronic Chattel Paper, Instruments, Documents, Letter of Credit Rights, all proceeds of letters of credit, Supporting Obligations, notes secured by real estate, Commercial Tort Claims, and General Intangibles, including Payment Intangibles.

Capitalized terms used in this Exhibit 1 but not defined in the Secured Party Bill of Transfer relating to this Exhibit 1 have the meanings ascribed to them in the Uniform Commercial Code enacted in Illinois.

## Exhibit 2

### Excluded Assets

The Personal Property does not include the following Collateral (the "Excluded Assets"):

- (b) All assets of Western Precision, Inc.
- (c) All assets related to the Airfloat Systems division sold pursuant to that certain Asset Purchase Agreement by and among DemirCo Industries, L.L.C. and JLS Acquisition Company, L.L.C.
- (d) All Cash and cash equivalents.
- (e) The Debtors' rights to claims, refunds and causes of action directly related to the Excluded Assets.
- (f) All causes of action of any of the Debtors against any Affiliate or Insider or employee of any of the Debtors, arising from fraud, embezzlement, willful violation of law or other malfeasance.
- (g) All causes of action against Charter One Bank, N.A. or any of its Affiliates or Insiders, employees, attorneys, consultants or representatives.
- (h) All insurance policies and proceeds insuring the foregoing property or any part thereof, including unearned premiums.
- (i) All Commercial Tort Claims to the extent relating to the other Excluded Assets.
- (j) All books and records to the extent relating to the other Excluded Assets.
- (k) Any assets which the Bank cannot transfer to Purchaser pursuant to Section 9-610 of the Uniform Commercial Code.
- (l) The right, title and interest to that certain (i) 1999 Kuraki KBT-15BHA, 4 axis CNC high speed horizontal boring and milling machine, X-axis travel: 90.55", Z-axis travel: 62.99", 5.9" spindle diameter, spindle speeds: 50-8,000 RPM, No. 50 taper spindle, table size: 78.74" x 98.42", maximum load capacity 33,000 lbs., 60-position automatic tool changer, 40-hp spindle motor, equipped with Fanuc Model 161-MA CNC controls, coil chip conveyor, coolant thru spindle and (ii) Kuraki KBH-22.A High Speed Boring Machine, S/N C-1597.
- (m) The right, title and interest to that certain (i) Komo Model VR-508-Mach III, CNC Twin Spindle Vertical Router, S/N 47686-07-01-04 (New 2004) (1) Vertical Spindle, (1) Horizontal Spindle, 60" x 96" Air Table 3, 150 IPM Cutting Rate, GE Fanuc180i Controls with Kaeser Model BSV-100, Packaged Rotary Screw Air Compressor, (ii) Komo Model VR-508-Mach III, CNC Twin Spindle Vertical Router, S/N 47687-07-01-04 (New 2004) (2) Vertical Spindles, 60" x 96" Air Table 3, 150 IPM Cutting Rate, GE/Fanuc180i Controls GE/Fanuc Controls with Kaeser Model BSV-100, Packaged Rotary Screw Air Compressor, and (iii) all related attachments, features, improvements, accessories and spare parts, including but not limited to Spindle chillers, Kaeser BSV100 vacuum pumps along with accessories thereto such as vacuum tanks, auto-drain systems,

coolant tanks, crossover plumbing and chip bins, and 63 HSK tool holders and tools (2/3 of total number).

- (n) All right, title and interest in Komo Model VR-508-Mach III, CNC Twin Spindle Vertical Router, S/N 47690-07-01-04 (New 2004) (1) Vertical Spindle, (1) Horizontal Spindle, 60" x 96" Air Table 3, 150 IPM Cutting Rate, GE/Fanuc180i Controls with Kaeser Model BSV-100, Packaged Rotary Screw Air Compressor, including the Lyndex tool presetter and 1/3 of the total HSK tool holders and tools.
- (o) All right, title and interest in Hause 6-Station Rotary Transfer Drilling/Milling/Tapping Machine, S/N 869H (New 2001), 1<sup>st</sup> Position: Horizontal Milling/Facing; 2<sup>nd</sup> Position: Horizontal 5-Spindle Drilling, Vertical Milling; 3<sup>rd</sup> Position: Vertical 2-Spindle Drilling; 4<sup>th</sup> Position: Horizontal & Vertical 2-Spindle Tapping; 5<sup>th</sup> Position: Horizontal 3-Spindle Spot Facing; 6<sup>th</sup> Position: Load/Unload; with Panelmate PLC, Coolant Pump, Chip Conveyor.
- (p) All right, title and interest in Hause 6-Station Rotary Transfer Drilling/Milling/Tapping Machine, S/N 868H (New 2001), 1<sup>st</sup> Position: Vertical Milling; 2<sup>nd</sup> Position: Horizontal 3-Spindle Drilling; 3<sup>rd</sup> Position: Vertical Drilling, 3-Spindle Counter Bore; 4<sup>th</sup> Position: Vertical Milling, Counter Bore; 5<sup>th</sup> Position: Load/Unload; with Panelmate PLC, Coolant Pump, Chip Conveyor.
- (q) All right, title and interest in Hause 6-Station Rotary Transfer Drilling/Milling/Tapping Machine, S/N 874H (New 2001), 1<sup>st</sup> Position: Vertical Milling; 2<sup>nd</sup> Position: Horizontal 3-Spindle Drilling; 3<sup>rd</sup> Position: Vertical Drilling, 3-Spindle Counter Bore; 4<sup>th</sup> Position: Vertical Milling, Counter Bore; 5<sup>th</sup> Position: Load/Unload; with Panelmate PLC, Coolant Pump, Chip Conveyor.
- (r) Any tooling in the possession of, but not owned by, any Borrower.

Except as otherwise set forth herein, all capitalized terms used but not defined in this Exhibit or in the Personal Property Purchase Agreement have the meanings given them under the Illinois Uniform Commercial Code.